



## **Conflicts of Interest Policy and Procedures**

### **Purpose of Conflicts of Interest Policy**

The purpose of this Conflicts of Interest Policy is to protect the interests of the Roeliff Jansen Community Library (the "Library") when it is contemplating entering into a transaction or other arrangement that might benefit the private interests of a person holding a position of responsibility on behalf of the Library, such as an Officer, Trustee, or staff member. As a 501(c)(3) organization, the Library has a special obligation to uphold the public trust and is committed to acting with integrity and fairness in all of its operations. To this end, this Policy is intended to ensure that the Library's actions do not result in or have the appearance of providing financial or beneficial advantage directly or indirectly to a person holding a position of responsibility.

This Policy is intended to supplement but not replace any state or federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **Policy Statement**

Officers, Trustees, and staff members have a duty of loyalty toward the Library which requires that they exercise their powers in the interest of the Library and not in their own interest or the interest of another entity or person. With regard to any activity, the best interests of the Library must prevail over the individual's interests.

Officers, Trustees, and staff members may have interests in conflict with those of the Library. Conflicts of interest are not inherently illegal or unethical. It is the manner in which the Board of Trustees deals with a disclosed conflict that determines the propriety of the transaction. This policy statement is intended to guide the Board in resolving conflicts in a legal and ethical manner.

### **Definitions:**

#### **Board**

Refers to the Board of Trustees, the governing body of the Library.

**Interested person**

Any Officer, Trustee or staff member who has a direct or indirect financial interest as defined below.

**Financial interest**

A person has a financial interest if the person has, directly or indirectly through business investment or family:

- a. An ownership or investment interest in an entity with which the Library has a transaction or other arrangement,
- b. A compensation arrangement with the Library or with an entity or individual with which the Library has a transaction, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Library is negotiating a transaction or other arrangement.

Compensation includes direct and indirect remuneration as well as gifts and favors.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest has a conflict of interest only if the Board decides that a conflict of interest exists.

**Procedures**

1. Duty of disclosure

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board to consider the proposed transaction or other arrangement.

2. Determining whether a Conflict of Interest Exists

After disclosure of the financial interest and any material facts, and after any discussion between the Board and the interested person, the interested person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The Board shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board Chair may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or other arrangement.
- c. After exercising due diligence, the Board shall determine if the Library can obtain with reasonable efforts a more advantageous transaction or other arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or other arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine through a vote of the disinterested Trustees whether the transaction or arrangement is in the Library's best interest, for its own benefit, and whether it is

fair and reasonable. In conformity with the above determination, the Board shall make its decision as to whether to enter into the transaction or other arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform such interested person of the basis for such belief and afford such interested person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines that the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Records of Proceedings**

The minutes of the Board meetings at which possible conflicts of interest are discussed shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest existed, and the Board's decision as to whether a conflict of interest existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Conflicts of Interests Disclosure Form**

Each Officer, Trustee and staff member shall, upon commencement of his or her office and on or about January 1 in each year thereafter, sign a disclosure form (in the form attached to this Policy) that affirms that he or she:

1. Has received a copy of the Conflicts of Interest Policy,
2. Has read and understands the Policy,
3. Has agreed to comply with the Policy, and
4. Understands that the Library is a charitable organization and, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

**Adoption and Review of this Policy**

Pursuant to the Library's Bylaws, the Board shall adopt and oversee the implementation of, and compliance with, this Policy. This Policy shall be reviewed by the Board at least annually.

This Policy was last reviewed and approved by the Board on December 21, 2021.

**Roeliff Jansen Community Library Conflicts of Interest Disclosure Form**

Date: \_\_\_\_\_ Name: \_\_\_\_\_

A conflict of interest, or an appearance of a conflict, can arise whenever a transaction, or another arrangement, of the Roeliff Jansen Community Library (the "Library") conflicts with the personal interests, financial or otherwise, of an Officer, Trustee, or staff member, or a family member of an Officer, Trustee, or staff member.

Please describe below any relationships, transactions, other arrangements or positions you hold (volunteer or otherwise), or circumstances that you believe could create a conflict of interest between the Library and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflicts of interest or potential conflicts of interest to report.

\_\_\_\_\_ I have the following conflicts of interest, or potential conflicts of interest, to report:

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

I have reviewed the Library's Conflicts of Interest Policy, and I understand it. I also understand that it is my obligation to disclose a conflict of interest, or appearance of a conflict, to the Board of Trustees when a conflict, or appearance of a conflict, arises, and that for transactions in which I have a conflict, I will abstain from any vote on the matter involving the conflict. I also understand that the Library is a charitable organization and, in order to maintain its federal tax exemptions, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Signature:

\_\_\_\_\_

Date: \_\_\_\_\_